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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 10/599,606

Filing Date: October 03, 2006

Appellant(s): LEE ET AL.

Changhoon Lee
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 15 June 2009 appealing from the Office action mailed 05 February 2009.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

Appellants omitted that Claim 1 has been amended subsequent to the final rejection to reduce the issues for appeal by claim amendment filed 29 April 2009.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The copy of the appealed claims contained in the Appendix to the brief is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

7107226	CASSIDY	09-2006
7043471	CHEUNG	05-2006

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claims 1-3, 6, 7 and 10, 11 and 16-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cassidy et al. (U.S. 7,107,226 B1) in view of Cheung et al. (U.S. 7,043,471 B2).

Claims 1 and 16:

Cassidy, as shown, discloses the following limitations:

- *maintaining and storing a goods information database in at least one memory, the goods information database for storing least one search listing, the search listing including seller identification information and selling price information* (see at least column 5, line 42, “database of goods and/or services” see also Figure 7, search results listing good by price and vendor),
- *receiving a search request for goods from a searcher* (see at least column 7, line 37, “buyer can search the database”),
- *providing a search result list of the goods in response to the search request for the goods, the search result list of the goods including the search listings* (see at least Figure 7, an example of search results),
- *in response to the detected click-through, generating and storing selling price information by referring to selling price information included in the search listing selected by the searcher* (see at least column 9, lines 35-36, the order is stored in user's order history),
- *providing an Internet link to a seller of goods associated with one of the provided search listings so that the searcher can purchase the goods at seller's website* (see at least column 9, lines 55, embedded hyperlinks to the vendors' home pages),
- *generating advertising costs for each seller for the first selling period, irrespective of purchase of the goods at the seller's website, based, at least in part, upon a predetermined commission rate and the stored selling price information* (see at least column 7, lines 31-32, commission price generated based on commission rate which is necessarily based on the sale price of the product, although a commission is awarded when a sale is made, a commission price may be generated “irrespective of purchase of the goods”),

Although Cassidy discloses tracking customer order history and remembering shopping cart contents whether or not the customer makes a purchase, Cassidy does not specifically disclose a cost-per-click billing strategy. However, Cheung, as shown, discloses the following limitations:

- *a first advertising costs generating module, the first advertising costs generating module generating advertising costs for each seller for the first selling period, irrespective of purchase of the goods at the seller's website, based, at least in part, upon the click selection information* (see at least column 23, lines 36-45, numbers of clicks are tracked over time to generate an estimated number of clicks for a given search term, this is multiplied by the cost bid for the search term to generate an estimated cost-per-click),
- *detecting a click-through to the Internet link by the searcher* (see at least column 23, lines 36-45, numbers of clicks are tracked over time to generate an estimated number of clicks for a given search term),
- *wherein the steps of detecting a click-through and generating advertising costs are preformed by a server that comprises a processor and said at least one memory* (see at least column 16, lines 24-27, referring to figure 4, item 402, the account monitoring server tracks click-troughs and associated fees),

Cassidy discloses charging advertisers based on a commission rate based on sales. Cheung discloses charging advertiser based on a cost-per-click method and discloses predicting based on a previous payment period future advertising charges. Therefore it would have been obvious to one having ordinary skill in the art at the time of the invention to combine the features of Cheung with the invention of Cassidy to provide alternative charging methods for advertisers and to predict advertising costs for advertisers since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of

ordinary skill in the art would have recognized that the results of the combination were predictable.

Claim 2:

Cassidy discloses the limitations as shown in the rejection above. Further, Cassidy, as shown, discloses the following limitations:

- *storing the detected click-through information of the selected search listing for each seller during the first predetermined period* (see at least column 9, lines 51-52, “a direct transactional link is established between the product supplier and the purchaser,” the system records this for order/billing, but also for compensating the system a commission on the sale),

Although Cassidy discloses tracking customer order history and remembering shopping cart contents whether or not the customer makes a purchase, Cassidy does not specifically disclose a cost-per-click billing strategy. However, Cheung, as shown, discloses the following limitations:

- *generating cost-per-click information in accordance with a predetermined unit click cost and the detected click-through information* (see at least column 23, lines 31-32),
- *providing estimated advertising costs for each seller with respect to a second selling period, based on the advertising costs of selling price and the cost-per-click information* (see at least column 23, lines 36-45, numbers of clicks are tracked over time to generate an estimated number of clicks for a given search term, this is multiplied by the cost bid for the search term to generate an estimated cost-per-click),

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the cost-per-click and click monitoring/counting method of Cheung with the online shopping system of Cassidy because Cassidy’s method provides “an advertising and promotional forum” (Cassidy column 9, line 54) and cost-per-click is an

old and well known method of charging advertisers for advertising exposure in an advertising and promotional forum. The claimed invention therefore is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claim 3:

The combination Cassidy/Cheung discloses the limitations as shown in the rejection above.

- *comparing the advertising costs of selling price (see at least Cassidy column 7, lines 31-32, commission price generated based on commission rate and sales generated) with the cost-per-click (see at least Cheung column 23, lines 36-45, numbers of clicks are tracked over time to generate an estimated number of clicks for a given search term, this is multiplied by the cost bid for the search term to generate an estimated cost-per-click) information and selecting a smaller value between the advertising costs of selling price and the cost-per-click information for the estimated advertising costs,*

It would have been obvious to one having ordinary skill in the art at the time of the invention to compare the two generated advertising costs and select the lower or higher cost to charge the advertiser because simply choosing to charge a lower or higher cost is a business decision that does not patentably affect the scope of the claims and because Cheung teaches that “advertisers generally want to maximize results and minimize costs” (Cheung column 3, lines 62-63). Generally charging a lower advertising cost will entice advertisers to continue their patronage, alternatively charging a higher cost will increase income. Regardless of basis for choosing the advertising cost to charge, one having ordinary skill in the art at the time of the invention could have chosen to charge the higher or lower cost and would have recognized that the results of the combination were predictable.

Claim 6:

The combination Cassidy/Cheung discloses the limitations as shown in the rejection above. Further Cheung, as shown, discloses the following limitations:

- *receiving predetermined deposit from a seller for advertising before the first predetermined period starts* (see at least column 19, line 7, prepaid account),
- *providing the seller with outstanding balance information, the outstanding balance information being calculated by subtracting the predetermined deposit from the advertising costs for the second predetermined period* (see at least column 13, lines 25-29),
- *charging the seller's account with advertising costs for the second predetermined period based upon the estimated advertising costs* (see at least column 15, line s 1-3, prepay accounts charged a predetermined amount, see also column 23, line 23, predicting future expenses based on previous advertising costs i.e. deriving the predetermined amount),

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the advertising accounting method of Cheung with the online shopping system of Cassidy because Cassidy's method provides "an advertising and promotional forum" (Cassidy column 9, line 54) and Cheung discloses improved methods for monitoring an advertiser's account on an advertising forum. The claimed invention therefore is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claim 7:

The combination Cassidy/Cheung discloses the limitations as shown in the rejection above. Further Cheung, as shown, discloses the following limitations:

- *receiving predetermined deposit from a seller for advertising before the first predetermined period starts* (see at least column 14, lines 61-63, a fixed prepay deposit payment plan),
- *in case that a request for termination of advertising is received from the seller within the first selling period, charging the seller's account with the received deposit for the first predetermined period* (see at least column 15, line s 1-3, prepay accounts charged a predetermined amount),

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the advertising accounting method of Cheung with the online shopping system of Cassidy because Cassidy's method provides "an advertising and promotional forum" (Cassidy column 9, line 54) and Cheung discloses improved methods for monitoring an advertiser's account on an advertising forum. The claimed invention therefore is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claim 10:

Cassidy, as shown, discloses the following limitations:

- *maintaining a user information database, the user information database for storing basic personal information on a plurality of searchers* (see at least column 8, lines 29-36, user personal information is stored as registration information),
- *in response to a predetermined login request received from the searcher, authenticating the searcher by referring to the user information database* (see at least Figure 2, login and authentication),
- *in response to the received click selection, generating detailed search information on goods associated with the selected search listing and storing the same in the user information database* (see at least column 14, lines 35-

37, the shopping cart maybe retained in the database whether or not the user proceeds to checkout and buys its contents, see also column 15, lines 35 saving a shopping cart as a template).

Claim 11:

Cassidy discloses the limitations as shown in the rejection above. Further, Cassidy, as shown, discloses the following limitation:

- *generating advertising costs of selling price with respect to each of the sellers, by applying at least one different exemplary selling commission rate to total selling price with respect to each of the sellers during a predetermined period* (see at least column 7, lines 31-32, commission price generated based on commission rate and sales generated),

Cassidy does not specifically disclose deriving a commission rate based on generated cost-per-click information that is closest to the cost-per-click rate. However, Cheung, as shown discloses calculating cost-per-click information:

- *wherein the selling commission rate is determined to be the applied exemplary selling commission rate when the total amount of the advertising costs of selling price with respect to the plurality of sellers during the predetermined period is nearest to the total amount of the cost-per-click information with respect to the plurality of sellers during the predetermined period* (see at least Cheung column 23, lines 36-45, numbers of clicks are tracked over time to generate an estimated number of clicks for a given search term, this is multiplied by the cost bid for the search term to generate an estimated cost-per-click),

It would have been obvious to one having ordinary skill in the art at the time of the invention to compare the two generated advertising costs and identify an exemplary commission rate that best reflects the cost-per-click costs because the two cost calculations (commission and cost-per-click) represent the value of the same advertising

opportunity and therefore should be equal; if they are not equal then the commission rate is either under- or over-valuing the advertisement. Simply evaluating the variation between cost strategies for valuing advertisements is common business practice in the art.

Claim 18:

Cassidy, as shown, discloses the following limitations:

- *sorting the at least one search listing in accordance with a predetermined criterion base on selling price information of the search listing* (see at least Figure 7, search results are sorted by price - least expensive item first).

Claim 17:

Cassidy, as shown, discloses the following limitations:

- *a processor* (see at least column 6, line 12, computer hardware),
- *one or more memories to communicate with the processor, the one or more memories storing a goods information database, the goods information database storing a search listing including seller identification information and selling price information* (see at least column 5, line 42, “database of goods and/or services” see also Figure 7, search results listing good by price and vendor),
- *an interface, the interface receiving a search request for goods including a keyword from a searcher and providing an Internet link to a seller of goods associated with one of the provided search listings so that the searcher can purchase the goods at the seller's website* (see at least Figure 7, an example of search results, see also at least column 9, lines 55, embedded hyperlinks to the vendors' home pages),
- *a list generating module, in response to the search request for goods, the list generating module abstracting at least one search listing associated with the keyword from the goods information database, the list generating module*

generating a list of search results of goods and transmitting the same to the searcher (see at least Figure 7, an example of search results),

- *a record control module, in response to the received click selection of the searcher selecting any one search listing among the list of search results of goods, the record control module generating and storing click selection information and total selling price information with respect to a first selling period for each seller (see at least Figure 19b, an example shopping cart),*
- *a first advertising costs generating module, the first advertising costs generating module generating advertising costs for each seller for the first selling period, irrespective of purchase of the goods at the seller's website, based, at least in part, upon the selling price information and a predetermined commission rate (see at least column 7, lines 31-32, commission price generated based on commission rate and sales generated),*

Although Cassidy discloses tracking customer order history and remembering shopping cart contents whether or not the customer makes a purchase, Cassidy does not specifically disclose a cost-per-click billing strategy. However, Cheung, as shown, discloses the following limitations:

- *a first advertising costs generating module, the first advertising costs generating module generating advertising costs for each seller for the first selling period, irrespective of purchase of the goods at the seller's website, based, at least in part, upon the click selection information (see at least column 23, lines 36-45, numbers of clicks are tracked over time to generate an estimated number of clicks for a given search term, this is multiplied by the cost bid for the search term to generate an estimated cost-per-click),*
- *a second advertising costs generating module, the second advertising costs generating module generating estimated advertising costs information with*

respect to a second selling period, based on the generated advertising costs and click selection information (see at least column 23, lines 36-45, numbers of clicks are tracked over time to generate an estimated number of clicks for a given search term, this is multiplied by the cost bid for the search term to generate an estimated cost-per-click),

Cassidy discloses charging advertisers based on a commission rate based on sales. Cheung discloses charging advertiser based on a cost-per-click method and discloses predicting based on a previous payment period future advertising charges. Therefore it would have been obvious to one having ordinary skill in the art at the time of the invention combine the features of Cheung with the invention of Cassidy to provide alternative charging methods for advertisers and to predict advertising costs for advertisers since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

(10) Response to Argument

Examiner notes that the combination of the prior art renders obvious the features of the Appellant's independent claim 1.

In reference to representative independent claim 1, the combination of the prior art renders obvious:

- *maintaining and storing a goods information database in at least one memory, the goods information database for storing least one search listing, the search listing including seller identification information and selling price information (see at least Cassidy column 5, line 42, "database of goods and/or services" see also Figure 7, search results listing good by price and vendor),*

- *receiving a search request for goods from a searcher (see at least Cassidy column 7, line 37, “buyer can search the database”),*
- *providing a search result list of the goods in response to the search request for the goods, the search result list of the goods including the search listings (see at least Cassidy Figure 7, an example of search results),*
- *in response to the detected click-through, generating and storing selling price information by referring to selling price information included in the search listing selected by the searcher (see at least Cassidy column 9, lines 35-36, the order is stored in user's order history),*
- *providing an Internet link to a seller of goods associated with one of the provided search listings so that the searcher can purchase the goods at seller's website (see at least Cassidy column 9, lines 55, embedded hyperlinks to the vendors' home pages),*
- *generating advertising costs for each seller for the first selling period, irrespective of purchase of the goods at the seller's website, based, at least in part, upon a predetermined commission rate and the stored selling price information (see at least Cassidy column 7, lines 31-32, commission price generated based on commission rate which is necessarily based on the sale price of the product, although a commission is awarded when a sale is made, a commission price may be generated “irrespective of purchase of the goods”),*
- *a first advertising costs generating module, the first advertising costs generating module generating advertising costs for each seller for the first selling period, irrespective of purchase of the goods at the seller's website, based, at least in part, upon the click selection information (see at least Cheung column 23, lines 36-45, numbers of clicks are tracked over time to generate an estimated number of clicks for a given search term, this is*

multiplied by the cost bid for the search term to generate an estimated cost-per-click),

- *detecting a click-through to the Internet link by the searcher* (see at least Cheung column 23, lines 36-45, numbers of clicks are tracked over time to generate an estimated number of clicks for a given search term),
- *wherein the steps of detecting a click-through and generating advertising costs are preformed by a server that comprises a processor and said at least one memory* (see at least Cheung column 16, lines 24-27, referring to figure 4, item 402, the account monitoring server tracks click-troughs and associated fees),

And, the preceding is obvious in light of the rejection above.

Examiner notes that the combination of the teachings of the prior art of record renders obvious the features of Appellant's claims. Appellant's arguments on appeal commence with summaries of the prior art references according to Appellant's characterization of the references. Appellant then presents two issues regarding claim 1 which Appellant regards as decisive on the question of patentability of claim one and the effectiveness of Examiner's rejection. Appellant presents arguments regarding dependent claim 11. Appellant then concludes with three more unsubstantiated arguments in the conclusion section of the appeal brief. Examiner addresses each of Appellant's arguments below in the order they appear in the appeal brief. Examiner notes that throughout the appeal brief Appellant consistently presents arguments supporting the patentability of language that is not part of the claims and criticizing the current rejection for failing to address claim limitations that are not part of the claims. Appellant also tries to generalize and compartmentalize the prior art references to promote the impression that the cited references are directed to disparate and unrelated technology and fields of endeavor. Several times throughout the appeal brief, Appellant presents arguments that are not even related to the claims or to Examiner's rejection of the claims. Examiner will point out each such instance below in the order they

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appear in the appeal brief. Finally throughout the discussion below, Examiner will demonstrate where each limitation is disclosed in the art and that Examiner's obviousness rejection is proper and persuasive.

Cassidy Reference

Cassidy discloses an internet-based comparison shopping system which allows a web-user to access comparative product/service information across various brands and suppliers on one website. Additionally, as Appellant notes, Cassidy discloses shopping cart functionality that allows a web-user to purchase products. Cassidy describes that this feature "disaggregates" purchase orders and will forward the order to the source of the product/service (i.e. to the product supplier or manufacturer) but does not forward the web-user to the website of the product/service source: "[t]he shopping cart then is disaggregated and the orders for the goods and/or services are transmitted electronically to the corresponding individual vendors" (see at least column 9, lines 32-36). Appellant emphasizes (on page 22 of the appeal brief) that the Cassidy reference web-user purchases desired products "at its own website." Examiner notes that the Cassidy reference does not however limit the utility of the disclosure to only purchases. Cassidy nowhere states that a web-user is required to make a purchase in order to engage the product comparison features of the Cassidy reference. This is important because Appellant apparently interprets such restrictive limitations from the Cassidy disclosure. Appellant, for example, states (on page 23 of the appeal brief) that "the on-line operator charges the commission only for the sale made at its on-line shopping mall website, not for the advertising service or price comparison service" (emphasis added). Appellant's position, however, is not supported by the Cassidy disclosure.

Appellant attempts to support Appellant's interpretation of Cassidy with reference to several broken quotations from the Cassidy disclosure (see page 23 of the appeal brief). Appellant refers to the commission rate disclosed by Cassidy in column 7. This paragraph of the disclosure is directed to the data that is stored in various tables of the Cassidy database. The broken quotation provided by Appellant is missing the following "Io[ther meaningful data that may be stored in the system includes date and time the product information was entered... [the entire list of data is excised for brevity and because the other data provided in the list is not material to the discussion] and the vendor's commission percentage..." (emphasis added) (see at least column 7, lines 25-34). Appellant apparently interprets this quotation to be

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explaining that a commission rate is applied only when a transaction occurs, however Examiner interprets this quotation to mean that a predetermined commission rate is stored in the database for each product/vendor. The portion of the quotation seemingly describing a process of charging a commission based on purchases is meant to define "commission rate" not necessarily to limit the application of the commission. This distinction is subtle but important to understanding Examiner's rejection and to understanding Examiners interpretation of the next broken quotation Appellant provides from the Cassidy disclosure.

The excised material from the quote Applicant offers (on page 23 of Appellant's appeal brief) discloses the following: "[a] direct transactional link is established between the product supplier and the purchaser, thereby facilitating an enabling electronic commerce involving such products[t]he vendor therefore has an advertising and promotional forum, and hyperlinks may be embedded in the system to the vendors' home pages or other Web sites[t]he system proprietor, in providing the shopping forum for the vendor's products, thereby provides an outlet service to the vendor, which may be compensated by a mutually agreed compensation schedule or commission rate" (emphasis added) (see at least column 9, lines 49-60). Here Cassidy specifically discloses that the Cassidy website is not limited to only selling products, but that the site also provides an advertising and promotional forum, provides hyperlinks from the Cassidy site to the vendor's sites, all of which "may be compensated by a mutually agreed compensation schedule or commission rate" (*Id.*). Based on this disclosure in Cassidy, Examiner interprets that the Cassidy additionally teaches an *advertising forum*, storing a predetermined *commission percentage*, and compensating the operator of the Cassidy web-site for the advertising services based on a mutually agreed compensation schedule or commission rate. These elements are all explicitly stated in the Cassidy disclosure.

Therefore, unlike Appellant's narrow interpretation/characterization of the Cassidy disclosure, Examiner does not interpret the Cassidy disclosure to limit the charges applied to vendors to be based *only* on sales made *at the Cassidy website*, but rather Examiner interprets the above portions of the Cassidy disclosure to mean that the Cassidy website may *also* seek additional compensation from vendors, such as for the advertising or for the "transactional link" and that such compensation *may be*

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based on a compensation schedule (indicating some time component) or commission rate (which is predetermined and stored). Examiner interprets Cassidy's broad disclosure to leave open the possibility of commissions charged for purchases at the vendor site and/or charging vendors for the advertising opportunity. Examiner also points out here that Cassidy does disclose consideration of the time that has passed since a product was added to the Cassidy database in both of the citations above (data and time product was entered, column 7, lines 26-27 and compensation schedule, column 9, lines 59-60).

Cheung Reference

The Cheung reference is an advertiser account monitoring service that monitors the advertising activity that results from a search engine service. Among the various purposes of the Cheung invention, Cheung seeks to control an advertiser's costs associated with providing advertising in a search setting; particularly with costs associated with "cost-per-click" billing methods. Cheung describes various methods of seeking compensation from advertisers for providing online advertising opportunities (see at least column 6, lines 50-53). Generally a searcher/web-user will be presented advertisements based on the search terms the searcher employs, and the advertiser is charged a predetermined money amount every time a web-user/searcher clicks on advertiser's advertisement/hyperlink (often referred to as a 'click-through'). Cheung further discloses other common on-line advertising compensation schemes (see at least column 6, lines 53-58), these include charging advertiser each time the advertisement is displayed to a searcher (often referred to as an impression), or charging the advertiser when a searcher views and selects advertiser's ad after a search then subsequently purchases something at advertiser's website (generally referred to as a 'desired transaction'). The common terms for such advertising compensation schemes are "cost-per-click," or "cost-per-impression," or "cost-per-transaction" respectively. These terms identify what event triggers the compensation by the advertiser. Cheung recognized that Advertisers may have difficulty determining how much to pay for any given online advertising campaign, and further that Advertisers could not easily control/limit their on-line advertising spending. The Cheung reference therefore discloses several innovations that allow advertisers to better monitor their advertising accounts and better predict their expenses and control their advertising spending.

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The Cheung reference provides detailed disclosure of compensating website operators for advertising services, particularly website operators that provide search functionality to web-users and feature advertiser's information in the search results. The Cheung reference discloses several features that are not explicitly disclosed by the Cassidy reference, but are only broadly disclosed or suggested by Cassidy as noted above. Notably Cassidy also provides search results to web users and charges vendors for different events associated with the results: commissions for sales, or other compensation for the advertising forum. Both references are in the same field of endeavor; deriving compensation from vendors/advertisers for providing product/service information (i.e. ads) via an online search engine.

Claim 1

Appellant's first argument is directed to limitations that are not present in the claim. Appellant argues in this section that "Cassidy does not teach or suggest the present method of determining ***“advertising cost”*** (not service fee for sale of goods) based on an actual *price of a product provided by searched sellers, click-through information and commission-like rates in association with a price comparison type advertising service, irrespective of purchase of the product at the seller’s website”* (italicized emphasis added) (see page 24 of appeal brief). As an initial matter, this position is not persuasive because Appellant argues against the references individually; one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Further Appellant's description of claim 1 (reproduced above) is not consistent with the claim language of claim 1. Claim 1 discloses *generating advertising costs, irrespective of purchase of the goods at the seller’s website, for each seller for a first predetermined period based, at least in part, upon click-through information, a predetermined selling commission rate and the stored selling price information* (see claim 1). Claim 1 neither discloses "price of a product provided by searched sellers" nor "commission-like rates in association with a price comparison type advertising service." As noted in Examiner's rejection of claim 1 (reproduced in section 9 above) and as noted in Examiner's summary of the Cassidy reference above, Cassidy discloses determining compensation for advertising services based on stored/*predetermined* commission rate and stored selling

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price information: “[t]he vendor therefore has an advertising and promotional forum, and hyperlinks may be embedded in the system to the vendors' home pages or other Web sites[t]he system proprietor, in providing the shopping forum for the vendor's products, thereby provides an outlet service to the vendor, which may be compensated by a mutually agreed compensation schedule or commission rate” (emphasis added) (see at least column 9, lines 49-60). Cassidy does not specifically disclose *click-through information*; however Examiner relies on Cheung's teaching of click-through costs for advertising to teach this limitation. The combination of the Cheung reference disclosing advertising cost strategies such as 'cost-per-click' in the same context of search results with the Cassidy disclosure renders claim 1 obvious because the combination teaches every limitation of the Appellant's claim, because the references are from the same field of endeavor (deriving compensation from vendors/advertisers for providing product/service information [ads] via an online search engine), and because the combination of the elements taught by the references is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Appellant further avers that “Cassidy only teaches a method of receiving a commission charge from vendors for sale of products... not for the ‘advertising service’” (emphasis added) (see page 25 of appeal brief). As previously demonstrated this position is false. This is another example of Appellant applying mischaracterizing the Cassidy reference as Appellant did earlier in the appeal brief by only presenting broken quotations from the Cassidy reference. Cassidy discloses “[t]he vendor therefore has an advertising and promotional forum, and hyperlinks may be embedded in the system to the vendors' home pages or other Web sites[t]he system proprietor, in providing the shopping forum for the vendor's products, thereby provides an outlet service to the vendor, which may be compensated by a mutually agreed compensation schedule or commission rate” (emphasis added) (see at least column 9, lines 49-60). The commission payment scenario is one option disclosed by Cassidy, but it is a possible alternative to a “mutually agreed compensation schedule” both of which may be employed to compensate the operator of the Cassidy web-site for any of the services provided by the site including the specifically enumerated “advertising and promotional” forum. Appellant further avers that "Cheung only teaches cost

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per click accounting method for the online advertising service" (emphasis added) (see page 25 of appeal brief). This position is false. As demonstrated above, Cheung's disclosure is not limited to *only* cost-per-click accounting. Cheung discloses other common on-line advertising compensation schemes (see at least column 6, lines 53-58), these include charging advertiser each time the advertisement is displayed to a searcher (often referred to as an impression), or charging the advertiser when a searcher views and selects advertiser's ad after a search then subsequently purchases something at advertiser's website (generally referred to as a 'desired transaction').

Issue 1

Appellant's first argument is again directed to limitations that are not present in the claim. Appellant states that "[t]he first issue of this case is whether Cassidy discloses a method of charging commission for sale of products or for advertising service (i.e. price comparison service)" (emphasis added) (see page 25 of appeal brief). As an initial matter claim 1 does **not** disclose *charging*. Claim 1 broadly discloses *generating advertising costs*. The *generating* limitation is interpreted broadly by Examiner to mean that the costs are ascertained; Examiner does not narrowly construe the word 'generating' to exclusively mean *charging*. Appellant's position that Cassidy "does not disclose charging commission for the price comparison service" (see page 26 of appeal brief) relies on features that are not recited in the rejected claim. Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). Much of Appellant's argument (see pages 26-30 of appeal brief) rests on the *charging* limitation which is not present in the claim.

Appellant also attempts to distinguish Appellant's alleged price comparison service invention from what Appellant avers is a "conventional price comparison service arrangement" (see at least page 27 of appeal brief). Examiner notes that Appellant does not refer directly to the prior art references nor any other specific reference of record in this application throughout this argument (see generally pages 26-29 of appeal brief). Thus Examiner is not sure what Appellant is referring to when Appellant concludes for example "the conventional price comparison service providers store price information only for the price comparison search, it did not use the price information for the advertising cost" (see page 29 of appeal

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brief). Examiner notes that Appellant's claim is not directed to a "price comparison search service," but rather to a "method for generating a list of search results of goods... and providing the searcher with the goods information" (see the preamble of claim 1). This section of Appellant's arguments are another example of arguments generally supporting the patentability of language that is not part of the claims and criticizing the current rejection for failing to address claim limitations that are not part of the claims. This section of Appellant's arguments is also an example of Appellant's attempt to compartmentalize Appellant's invention into a "price comparison service" and contrast it from the prior art references. However as noted, Appellant's claim does not support Appellant's perception of the invention.

With regard to the Cassidy reference, Applicant avers "[i]n another embodiment, Cassidy discloses an incidental price comparison function for the online shopping website, which is different from the claimed price comparison services." Appellant's again presents arguments in support of limitations that are not present in the claim. Examiner first notes that claim 1 does not claim "price comparison services." Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). Further Appellant failed to identify what Appellant is interpreting from the Cassidy disclosure as an "incidental price comparison function" and further why/how it is different from Appellant's invention. Examiner reiterates Examiner's rejection of claim 1, that Cassidy discloses the claim limitation of claim 1 *providing a search result list of the goods in response to the search request for the goods, the search result list of the goods including the search listings* in at least Figure 7 which presents a screen shot of the Cassidy website enabling a search for a product and displaying a search result list of goods including several listings. Each listing is presented in the results table, one listing to each row. The row/listing includes vendor, product code, manufacturer, brand, and cost for each item. Cassidy teaches each claimed limitation regarding the search result list. Examiner further notes with reference to figure 7 of Cassidy that two listings are noted as 'for comparison only.' Thus even if Appellant did claim "cost comparison services" in claim 1, the Cassidy reference adequately teaches this limitation. Regarding the whether the search result function indicated in figure 7 is "incidental," there is no indication in the Cassidy reference that figure 7 is directed to a specific embodiment. Appellant avers that "the incidental price

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comparison function... [was taught by Cassidy] in different contexts or embodiments" (see page 30 of appeal brief). While there may be more than one embodiment in Cassidy, the teachings of Figure 7 are common to all of the embodiments.

Applicant further avers that although Cassidy teaches "the incidental price comparison function, commission-based fee for sale of products and embedded hyperlinks to the vendor's homepage... Cassidy teaches those respective functions in different contexts or embodiments" (see page 30 of appeal brief). Examiner notes that at least figure 7 demonstrates both the price comparison and the embedded hyperlinks in the same screen shot (i.e. at least the same embodiment). Further the text citations relied on by Examiner to teach these limitations do not indicate that the embedded links, products lists or commissions are different embodiments. "The vendor therefore has an advertising and promotional forum, and hyperlinks may be embedded in the system to the vendors' home pages or other Web sites[t]he system proprietor, in providing the shopping forum for the vendor's products, thereby provides an outlet service to the vendor, which may be compensated by a mutually agreed compensation schedule or commission rate" (emphasis added) (see at least column 9, lines 49-60).

Examiner interprets the language of claim 1, *maintaining and storing a goods information database, receiving a search request, providing a search result list, providing an Internet link to a seller of goods associated with the provided search listings, and generating advertising costs* broadly without reading limitations from the specification into the claim. The invention disclosed by Cassidy discloses all of the above limitations of the claims as demonstrated by Examiner's rejection and in Examiner's remarks above. Cassidy discloses maintaining and storing an online database listing of products and services (Cassidy is not limited to the dental website in the figures; this is just an embodiment used for demonstration, see column 6, lines 1-5). The Cassidy invention receives a search request and returns results as prescribed in the claim, including an internet link to the seller of goods. Appellant's claim limitation includes the language *providing an Internet link... so that the searcher can purchase the goods at the seller's website*. Examiner did not give patentable weight to the underlined portion of the limitation because the limitation does not patentably distinguish the invention, rather it merely provides a reason why a link is provided on a website. The same link may be provided on the same website for an entirely

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different reason (i.e. so the searcher can find product specifications, product warnings, and etcetera) and still the invention would be the same. Appellant's claim requiring the internet link is not patentably distinguishable from the Cassidy disclosure providing the internet link because Appellant may provide the link for a narrow reason. As noted by Appellant, with respect to this limitation Examiner stated that 'Cassidy makes no representation, requirement, or limitation about the purpose a user may have for following the link.'

Appellant goes to lengths to try to distinguish Cassidy from Appellant's claims by characterizing and compartmentalizing Cassidy as a shopping-mall website that only sells products and that happens to have a few common features whereas Appellant invented a price comparison web-site. In fact Appellant's **claim** describes exactly the Cassidy invention save for one limitation as noted in the rejection. The Cassidy website offers the same product/service search and result listing functionality, provides the same information (including the link to the vendor site) about the products/services, stores the same information about the products/services, and *generates costs to the advertiser/vendor based on the same information with only one exception*. The only limitation from claim 1 lacking in Cassidy is a specific teaching of a "cost-per-click" approach to generating costs, detecting click-through information and relying on the click information for generating advertising costs. However, Examiner holds that this strategy is taught by Cheung which also discloses an online advertising invention specifically for search engine advertising. Thus combining the teaching of utilizing a click-through as a basis for advertising costs with the Cassidy website would have been obvious to one having ordinary skill in the art at the time of the invention.

Cassidy discloses "[t]he vendor therefore has an advertising and promotional forum, and hyperlinks may be embedded in the system to the vendors' home pages or other Web sites[t]he system proprietor, in providing the shopping forum for the vendor's products, thereby provides an outlet service to the vendor, which may be compensated by a mutually agreed compensation schedule or commission rate" (emphasis added) (see at least column 9, lines 49-60). Examiner interprets this passage to mean that both the purchase and advertising forum provided by the Cassidy invention may be compensated by either "a mutually agreed compensation schedule or commission rate." Examiner notes that Appellant's claim specifically requires that the costs are based in part on "a predetermined selling commission rate;"

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however Appellant uses the term “commission-like rate” throughout Appellant’s appeal brief, again demonstrating Appellant’s insistence on arguing limitations that are not part of the claims.

Issue 2

Appellant’s first argument is again directed to limitations that are not present in the claim. Appellant’s asserts that “none of the cited references discloses accounting method for the price comparison services” (see page 31 of appeal brief). As an initial matter claim 1 does **not** disclose *accounting method for the price comparison services*. Claim 1 is directed to a *method for generating a list of search results of goods... and providing the searcher with goods information* (claim 1 preamble). Further the claim does not disclose any limitations directed to an *accounting method or price comparison service*. Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). Appellant’s initial argument is not persuasive because Appellant’s initial argument is not directed to the subject matter of Appellant claims. Appellant further argues that Examiner’s rejection of claim 1 is insufficient because it “combines piecemeal concepts for commission-based fee scheme from online shopping service and pay per click scheme from keyword advertising, and then applies the combined concepts to the accounting method for the price comparison service” see page 31 of appeal brief). As noted claim 1 is not directed to *price comparison services*, so Applicant’s argument that Examiner’s rejection is inadequate with respect to this limitation is moot because Examiner’s rejection is in fact sufficient with respect to the claimed subject matter.

Notably the claimed subject matter includes the following limitations: *maintaining and storing a goods information database, receiving a search request, providing a search result list, providing an Internet link to a seller of goods associated with the provided search listings, generating and storing selling price information, and generating advertising costs*. The Cassidy reference discloses all of the above limitations of the claims as demonstrated by Examiner’s rejection and in Examiner’s remarks above. Cassidy discloses maintaining and storing an online database listing of products and services (Cassidy demonstrates this database in at least figure 7 which displays several listings including seller information (vendor) and selling price). The Cassidy invention receives a search request and returns

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results as prescribed in the claim (Cassidy discloses the operation of the invention in which a buyer searches the database at column 7, line 37, further the search and search results are also demonstrated by figure 7 which displays listings that correspond to a user/buyers search inputs; the search inputs are listed in the upper portion of the figure (in this figure the buyer is searching for burs) in the lower portion of the figure are corresponding search results). The listings and the search results of the Cassidy invention provide an internet link to the seller of the goods as required on the claim (this is demonstrated as well in figure 7, note that the vendor names in the listings are underlined signifying a hyperlink, further Cassidy discloses "hyperlinks may be embedded in the system to the vendors' home pages or other Web sites" in column 9, lines 49-60). Cassidy discloses generating and storing selling price information in response to a click through several ways. In the first place, Cassidy already demonstrated that selling price is stored with each listing. Further Cassidy, as Appellant notes, provides the service of selling goods; therefore Cassidy discloses preparing the order in response to a buyer's selections (indicated by clicking on various desired items) and storing the order as order history. Finally Cassidy discloses "[t]he vendor therefore has an advertising and promotional forum, and hyperlinks may be embedded in the system to the vendors' home pages or other Web sites[t]he system proprietor, in providing the shopping forum for the vendor's products, thereby provides an outlet service to the vendor, which may be compensated by a mutually agreed compensation schedule or commission rate" (emphasis added) (see at least column 9, lines 49-60). Thus Cassidy discloses generating advertising costs based on possibly commission rate or an agreed compensation schedule. Appellant's claim requires that the advertising cost be based at least on stored selling price, a predetermined selling commission rate and click through information. Examiner notes that Cassidy discloses commission rate above, and further that the commission rate of Cassidy is itself based on the selling price of a product (Cassidy, column 7, lines 31-35, "...based on the sales of the vendor's wares..."). Examiner notes in the rejection that the only difference between Cassidy and the claimed invention is that Cassidy does neither specifically considers generating costs based upon "click-through information" nor does Cassidy specifically disclose *detecting click-throughs to the Internet link*. However, as this is a well known advertising method in the art, Examiner relied on the Cheung reference to demonstrate the prominence of this technique of generating costs for advertising.

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Appellant is consistently attempting to mischaracterize the language of the claims at issue and the language of the applied prior art. The fact is that claim 1 is extremely broad. Since Appellants arguments consistently describe an invention that is not present in claim 1, using language that is not present in claim 1, it is clear that the central issue in this matter is that Appellant has failed to draft claim language that adequately claims Appellant's invention. Examiner's rejection is not a piecemeal application of disparate concepts. Rather Examiner interprets the broad claim language such that the invention is related to searching a database for goods/services, providing search results, and generating costs accordingly. Both the Cassidy and Cheung reference disclose search services and generating costs associated with resulting search listings/advertising. Examiner further notes that the word 'advertising' is broadly construed as well. For example, the search results of Cassidy (see figure 7) provides 'advertising' because the vendors are listed as well as the manufacturers and brands of the various products. By displaying this information, the Cassidy invention is providing advertising, as Cassidy noted "[t]he vendor therefore has an advertising and promotional forum" (emphasis added) (column 9, lines 49-60).

Appellant next attempts to argue, without providing any supporting evidence, that cost-per-click is a novel costing method confined to the 'online advertising industry' whereas commission based costs are confined to 'online shopping services' and that the two services comprise separate industries. This argument is another example of Appellant's attempt to generalize and compartmentalize the prior art references to promote the impression that the cited references are directed to disparate and unrelated technology and field of endeavor. Examiner is not convinced of Appellant's argument that online shopping services and online advertising services constitute two separate and distinct industries. In fact the two industries are closely related. Further the cost-per-click model for online advertising was not novel and innovative at the time of Appellant's invention in 2004. This is at least demonstrated by reference to Cheung which was initially filed in 2001 and is itself an invention directed to improving perceived shortcomings of an already established cost-per-click model for online advertising (i.e. we can safely assume that cost-per-click at least predates Cheung's filing date which predates Appellant's filing by 3 years). Further Examiner recognizes Appellant's attempt to compartmentalize the Cassidy and Cheung inventions into separate unrelated industries; however Examiner disagrees with this characterization.

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Both Cassidy and Cheung are related in that they are both directed to inventions concerning online search and generating costs based on providing an online search service on behalf of advertisers/vendors. Appellant's invention is likewise squarely within the same field of online search.

Appellant then asserts that the combination of commission and cost per click pricing is novel in Appellant's invention. As an initial matter, this assertion fails to address the current rejection because Examiner determined that this combination is *obvious* in view of the art of record and did not in fact offer a rejection based on a lack of novelty. Further Examiner notes the breadth of Appellant's claim; only requiring that costs are generated based on price, commission rate, and click-through information. Appellant does not specifically disclose the inventive method of generating the advertising costs (i.e. by providing a formula). Rather, Appellant only broadly discloses which types of information are considered in order to *generate advertising costs*. Therefore, Examiner's combination of the references is appropriate since a person of ordinary skill in the art at the time of Appellant's invention would have considered both Cassidy and Cheung because they are both directed to generating costs based on online searching. And both Cassidy and Cheung disclose several costing strategies based on the same information as claimed by Appellant.

Appellant states that "Examiner's statement that 'Cassidy discloses **charging advertisers based on a commission rate based on sales**' is not correct because Cassidy does not disclose charging advertisers for the price comparison service (i.e. advertising service) Cassidy only disclose charging **third party vendors** for the sale of products or orders places a the outlet service website" (emphasis added) (see page 32 of appeal brief). Examiner interprets the 'third party vendors' of the Cassidy disclosure to be the same as the 'advertisers' of the Appellant's claim. Cassidy discloses "[t]he vendor therefore has an advertising and promotional forum, and hyperlinks may be embedded in the system to the vendors' home pages or other Web sites[t]he system proprietor, in providing the shopping forum for the vendor's products, thereby provides an outlet service to the vendor, which may be compensated by a mutually agreed compensation schedule or commission rate" (emphasis added) (see at least column 9, lines 49-60). Cassidy discloses that the vendors are advertisers and take advantage of an advertising

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forum. Further Cassidy discloses that the system proprietor may be compensated for all the services provided to the vendor/advertiser.

With regard to Appellant's proposition that "Examiner may argue that it would [be] obvious... to convert to concepts of commission-based fee..." (see page 32 of Appellant's brief), Examiner has not made such an argument. With regard to Appellant's subsequent assertion that "the online advertising industry has never charged advertisers a service fee based on the listed price of goods" (*Id.*), Examiner notes that Appellant fails to support this assertion. Examiner further notes that this assertion fails to advance Appellant's argument because it neither related to Appellant's claim nor to Examiner's rejection. Appellant's tangential discussion regarding the "online advertising industry" is an attempt to shift attention away from the breadth of Appellant's claim language. Appellant's claim does not disclose a "service fee" or "price comparison advertising" (*Id.*).

Applicant argues that "combining known elements or concepts does not preclude patentability" (see page 33 of appeal brief), and supports this contention with reference to US patent number 2,823,672. This patent is not related to the present invention and is not part of the record. Further Examiner is not in a position to discuss the patentability of existing patents.

Examiner is not persuaded that Appellant's arguments demonstrate that the combination of Cassidy and Cheung fails to disclose every *claimed* limitation of claim 1 for the reasons discussed above. Appellant rests his entire argument in favor of patentability on the contention that the combination fails to disclose each limitation (see page 33 of appeal brief). Since Examiner has thoroughly demonstrated where the prior art discloses each claimed limitation, Appellant's argument is unpersuasive.

Claims 2, 3, 6, 7, 10 and 18

Claims 2, 3, 6, 7, 10 and 18 rise and fall on the patentability of claim 1 (see page 34 of appeal brief).

Claim 11

Appellant's first argument with regard to the rejection of claim 11 is that Examiner's statement explaining why the combined teachings of Cassidy and Cheung render claim 11 obvious "is not supported by any of the cited references" (see page 35 of appeal brief). Examiner is not aware of any rule requiring

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that every motivation for combining references in support of an obviousness rejection must be explicitly disclosed by the prior art as Appellant implies. In fact the MPEP states:

"[t]he rationale to modify or combine the prior art does not have to be expressly stated in the prior art; the rationale may be expressly or impliedly contained in the prior art or it may be reasoned from knowledge generally available to one of ordinary skill in the art, established scientific principles, or legal precedent established by prior case law. In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). See also In re Kotzab, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000) (setting forth test for implicit teachings); In re Eli Lilly & Co., 902 F.2d 943, 14 USPQ2d 1741 (Fed. Cir. 1990) (discussion of reliance on legal precedent); In re Nilssen, 851 F.2d 1401, 1403, 7 USPQ2d 1500, 1502 (Fed. Cir. 1988) (references do not have to explicitly suggest combining teachings); Ex parte Clapp, 227 USPQ 972 (Bd. Pat. App. & Inter. 1985) (examiner must present convincing line of reasoning supporting rejection); and Ex parte Levengood, 28 USPQ2d 1300 (Bd. Pat. pp. & Inter. 1993) (reliance on logic and sound scientific reasoning). (emphasis added) (MPEP 2144(I))

The rejection of claim 11 identifies where the claimed limitations are taught in the art. The first limitation of this claim further defines the step of *generating advertising costs* by "applying at least one different *exemplary selling commission rate* to a total selling price with respect to each of the sellers during a predetermined period" (emphasis added) (see claim 11). As noted in the rejection of claim 1 (from which claim 11 depends directly), Cassidy discloses that a commission rate is an amount based on the sales of a vendor's wares (see at least column 7, line 33). Examiner's rejection points to this section of Cassidy that demonstrates that a commission is applied as prescribed by the claim limitation. The claim limitation fails to further indicate how the application of the commission rate generates an advertising cost, and the first limitation fails to define *exemplary selling commission rate*.

The second limitation of claim 11 claims "wherein the selling commission rate [examiner notes that the selling commission rate has antecedent basis to claim 1 and it is not defining the *exemplary*

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selling commission rate of the prior limitation] is determined to be the *applied exemplary selling commission rate* when the total amount of the advertising costs of the selling price... is nearest to the total amount of the cost-per-click information with respect to the plurality of sellers during the predetermined period" (emphasis added) (see claim 11). Meaning that the 'commission rate' of claim 1 becomes the *exemplary commission rate* after recognizing that the advertising costs accrued at that particular commission rate are nearest to *the total amount of the cost-per-click information*. This limitation falls far short of detailing to one having ordinary skill in the art how to apply an *exemplary selling commission rate* when the rate is only identified after first analyzing a commission rate that was already applied when advertising costs were nearest to the total amount of cost-per-click information. In other words, this appears to be a circular definition. In order to generate costs according to claim 11, one must apply the *exemplary commission rate*, however in order to identify the *exemplary commission rate*, one must know the total advertising costs accrued at the commission rate and must find that it is "nearest to the cost-per-click information." Examiner further notes the breadth of "cost per click information" and that Examiner does not interpret this limitation narrowly to mean a dollar amount. Rather cost-per-click information may mean a dollar amount per click, number of clicks, bidding information [in the industry, and as noted in Cheung, online advertisers compete for ad space by bidding a cost-per-click amount to pay for their ad to appear in a certain position on a results page and/or after a particular search, this bidding data includes winning bid prices, historical bid prices etcetera], the link clicked on, data about when the click occurred, number of times the click occurred, etcetera.

In Examiner's rejection Examiner first interpreted the second limitation of claim 11 as demonstrated in the preceding paragraph. Examiner then noted, as in the rejection of claim 1, that Cassidy does not specifically disclose cost-per-click information, however Examiner indicated that Cheung discloses generating and storing cost-per-click information in at least column 23, lines 36-45. Examiner interprets this claim to mean that *generating the advertising cost* means alternatively applying a commission rate approach or applying a cost per click approach as the advertising cost, but first calculating both and comparing the two amounts to ensure that they are near to each other. Then choosing to apply the commission rate that is the nearest to the cost per click rate. This was Examiner's

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interpretation based on the language of the claim. Examiner concluded that since Cassidy discloses how to apply a commission rate, and Cheung discloses generating cost-per-click information, that "it would have been obvious to one having ordinary skill in the art at the time of the invention to compare the two generated advertising costs [the commission rate and the cost-per-click] and identify an exemplary commission rate that best reflects the cost-per-click costs [this is Examiner's interpretation of the claim as noted above] because the two cost calculations (commission and cost-per-click) represent the value of the same advertising opportunity and therefore should be equal; if they are not equal then the commission rate is either under- or over-valuing the advertisement. Simply evaluating the variation between cost strategies for valuing advertisements is common business practice in the art." (see page 10 of the final rejection). In other words, Examiner determined that the claim only calls for comparing the two advertising cost strategies and *determining* which commission rate yielded the nearest result to the cost-per-click information.

The motivation used to combine the two teachings was "reasoned from knowledge generally available to one of ordinary skill in the art" (emphasis added) (MPEP 2144(I)). The art of record, which is knowledge generally available to one of ordinary skill in the art, discloses the two cost-generating approaches as shown above. Examiner *reasoned* from these disclosures that when two cost analysis approaches are applicable to the same situation, it would be obvious to compare the results of each individual cost-generating approach. Further Examiner will note, that the section of Cheung cited to teach the limitations of claim 11 discloses a cost projection utility that an advertiser may use to predict advertising expenses given a particular keyword and cost-per-click amount (column 23, lines 36-45). Thus Cheung enables an advertiser to *compare* different *advertising costing strategies* and to predict costs. This cited section of Cheung supports Examiner's statement that "[s]imply evaluating the variation between cost strategies for valuing advertisements is common business practice in the art." Appellant argues that Examiner's motivation is a "generalization [and] is not supported by evidence" (see page 35 of appeal brief). The cited comparison enabled by Cheung is similar to the comparison Examiner *reasoned* would likely result from the knowledge of more than method of generating advertising cost. Further Examiner *reasoned* that choosing a commission rate that is nearest to cost-per-click would be

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obvious because both advertising cost generating approaches, according the claims, are intended to generate a single advertising cost. So it would necessarily follow that when the cost results of the two approaches are most similar, the commission rate that achieves this result would be determined exemplary or preferred.

Despite Appellant's assertions, Examiner does not rely on Official Notice in rejecting claim 11, therefore everything Appellant has to say about Examiner's supposed Official Notice statement is moot (see page 35 of appeal brief). Further every element of claim 11 is disclosed in the references, and the combination of the references renders claim 11 obvious as noted in Examiner's rejection. Examiner's motivation for combining the references is based on the knowledge made available by the references. Examiner's reasoning is consistent with prescribed methods of establishing obviousness as outlined in the MPEP. Appellant's arguments that limitations are not taught and that Examiner relied on information for which there is no evidentiary support are not persuasive.

Claim 17

Appellant applies Appellant's arguments with respect to claim 1 to claim 17. Appellant's arguments regarding claim 1 are fully addressed above.

Conclusions

In Appellant's closing arguments Appellant presents several new arguments, however offers no support for these new arguments. Appellant generally asserts that the 103 rejection be reversed because (1) "[none of the cited prior art references... provide any teachings related to the specific method steps... [appellant repeats the language of claim 1 here]"; (2) "there is no teaching or suggestion in any one or more of the cited prior art references, alone or in any combination, which remotely suggests or even hints at the specific system features identified in the presently pending claims"; and (3) "[f]orbidden hindsight has been used to support the obviousness rejection" (see pages 36 and 37 of appeal brief). With respect to new arguments 1 and 2, Examiner presented in detail above and in Examiner's rejection where each limitation is taught by the prior art references and why the combination of the references renders Appellant's claims obvious. With respect to argument 3, Examiner refers to MPEP §2145(X)(A):

"[a]ny judgment on obviousness is in a sense necessarily a reconstruction based on hindsight reasoning, but so long as it takes into account only knowledge which was within the level of ordinary skill in the art at the time the claimed invention was made and does not include knowledge gleaned only from applicant's disclosure, such a reconstruction is proper." *In re McLaughlin* 443 F.2d 1392, 1395, 170 USPQ 209, 212 (CCPA 1971).

As Examiner noted above, the prior art references predate Appellant's application by several years and only evidence from these references was relied upon in the obviousness rejection. Therefore any hindsight reasoning that may be evident is not impermissible hindsight because (1) it does not include information gleaned only from Applicant's disclosure and (2) because it only takes into account knowledge which was within the level of ordinary skill at the time the claimed invention was made.

Examiner reaffirms that the combination of the teachings of the prior art of record renders obvious the features of Appellant's claims. Examiner answered each of Appellant's arguments on appeal above including: Appellant's summaries of the prior art references according to Appellant's characterization of the references, Appellant's two issues regarding claim 1 which Appellant regards as decisive on the question of patentability of claim one and the effectiveness of Examiner's rejection, Appellant's arguments regarding dependent claim 11 and Appellant's conclusions including three more unsubstantiated arguments. Each of Appellant's arguments was addressed above in the order it appeared in the appeal brief. Examiner noted throughout Examiner's answer above every instance in the appeal brief where Appellant presented arguments supporting the patentability of language that is not part of the claims and criticized the current rejection for failing to address claim limitations that are not part of the claims. Examiner noted throughout Examiner's answer above every instance in the appeal brief where Appellant also tried to generalize and compartmentalize the prior art references to promote the impression that the cited references are directed to disparate and unrelated technology and fields of endeavor. Examiner also noted and responded to the several arguments from the appeal brief that are not even related to the claims or to Examiner's rejection of the claims. Examiner's answer above demonstrates where each limitation is disclosed in the art and provides support for the propriety and persuasiveness of Examiner's obviousness rejection.

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(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

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